

OFFICE OF
TRANSPORTATION
PUBLIC-PRIVATE
PARTNERSHIPS

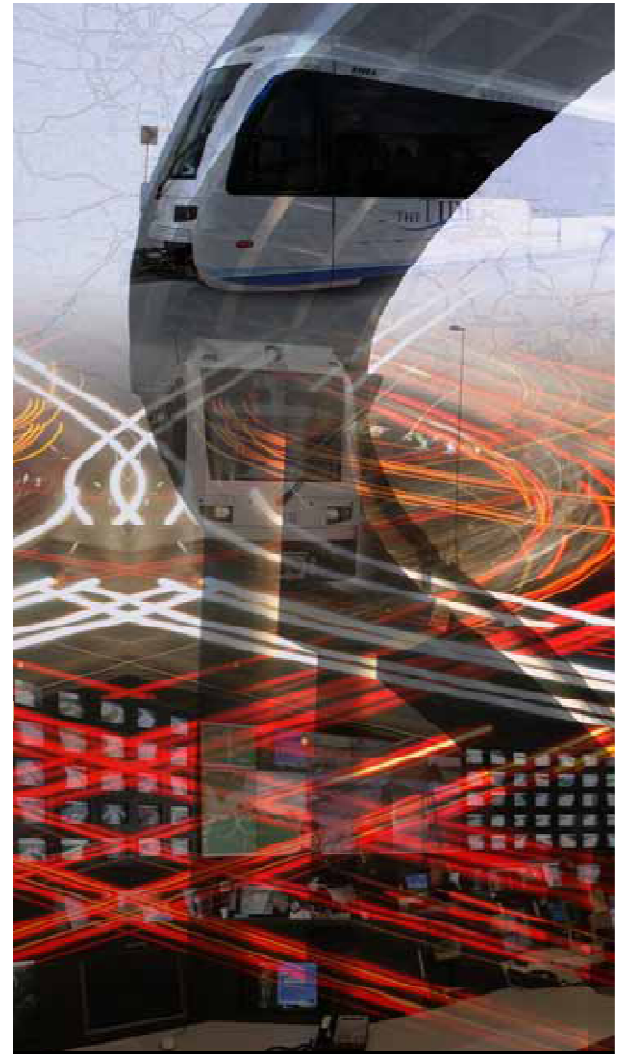
*Public Private Partnerships
What is That???*

Raymond Partridge, Program Manager
July 17, 2013

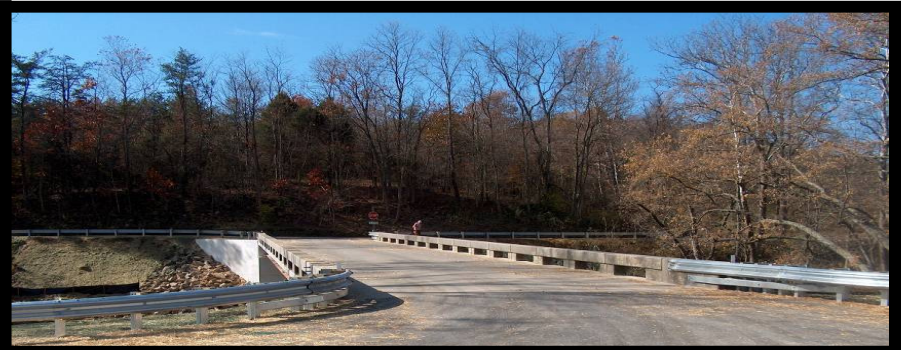


Agenda

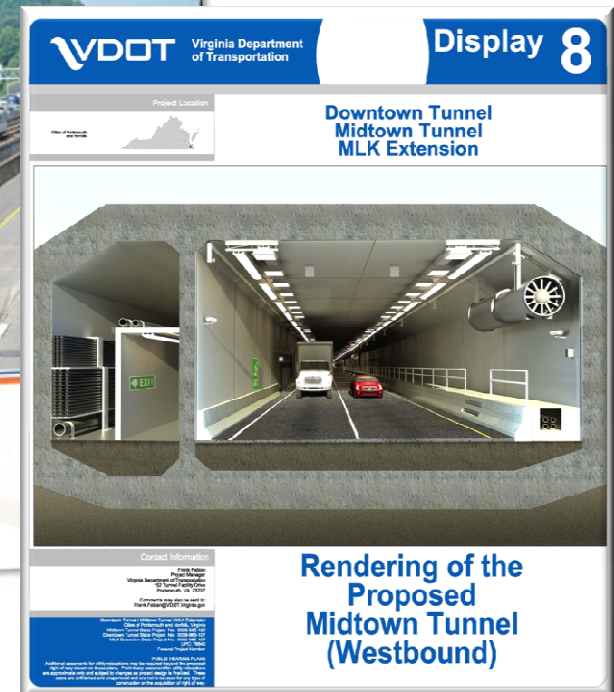
- What is a Public-Private Partnership?
- P3 Lessons Learned
- Locality Concerns



Pop Quiz: Is this a P3 Project????



What is a P3 Project????



What Criteria is used to identify a P3 Project?

- Sufficient complexity
- Potential to accelerate project development
- Advances overall multi-modal transportation priorities
- Potential to transfer risks and future responsibilities to private sector
- Ability to generate revenue or otherwise meet funding requirements
- Gained value in the delivery model (value for money)

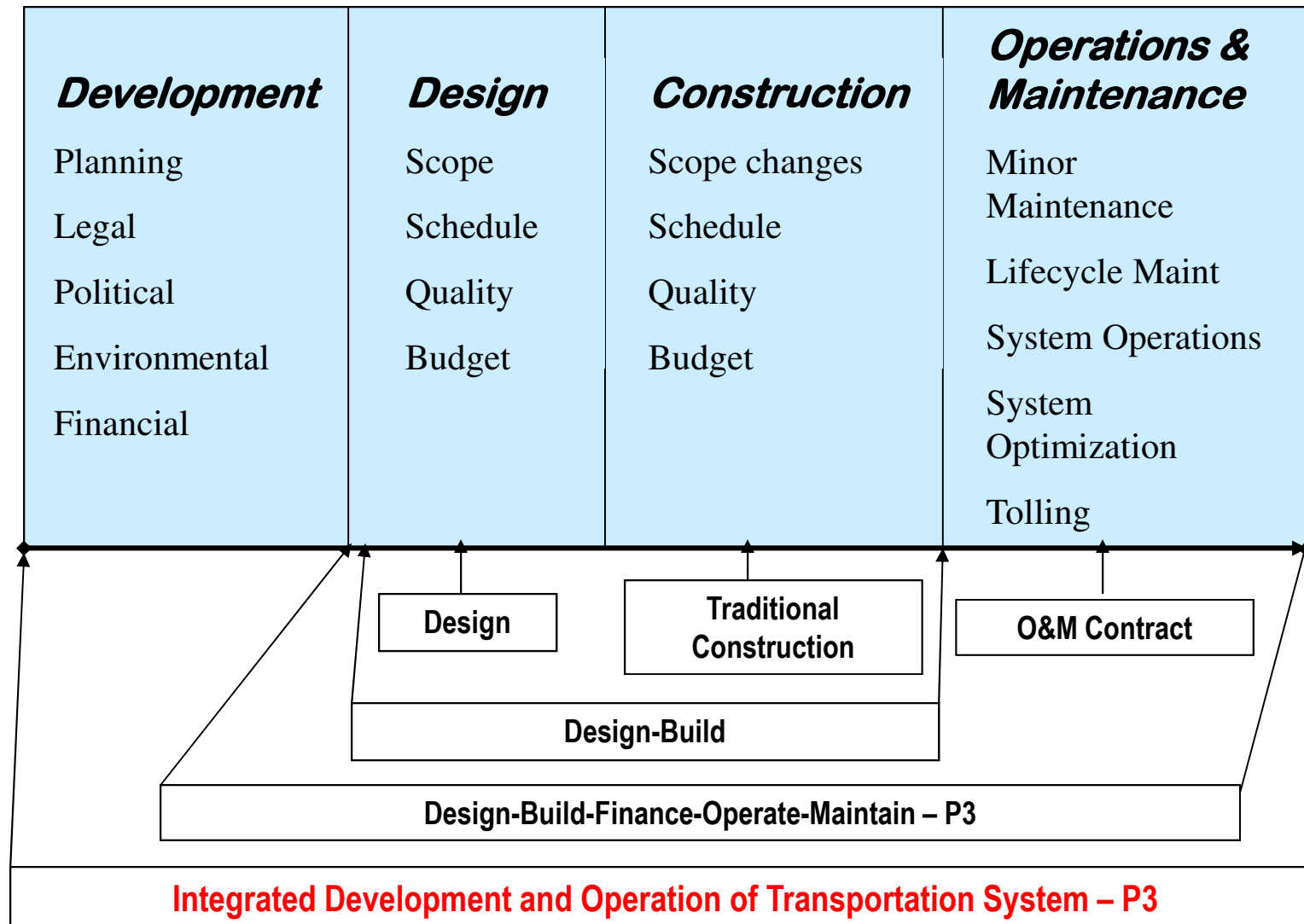


How are P3's Funded?

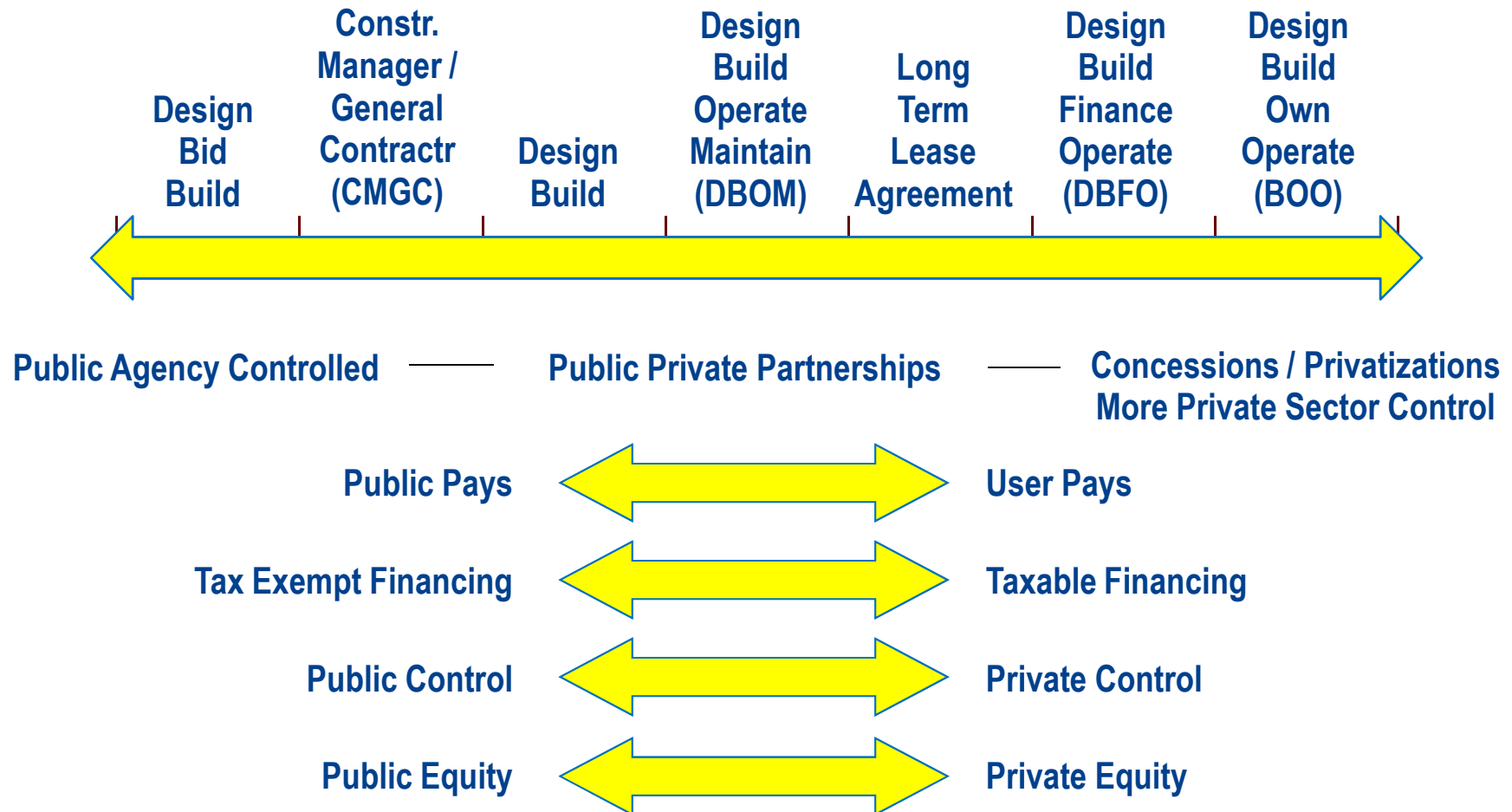
- **Where is all that FREE money!!!!**
- P3 projects supplement conventional funding by mixing a variety of funding sources which reduces demands on constrained traditional transportation public revenues:
 - Shareholder equity
 - Grant anticipation bonds
 - General obligation bonds
 - State infrastructure bank loans
 - Direct user fees (tolls / transit fares) leveraged to obtain bonding capacity
 - Other dedicated public revenue streams made available to a project sponsor
 - Local Funding (revenue sharing, local taxes, etc.)
 - Other project-specific synergies



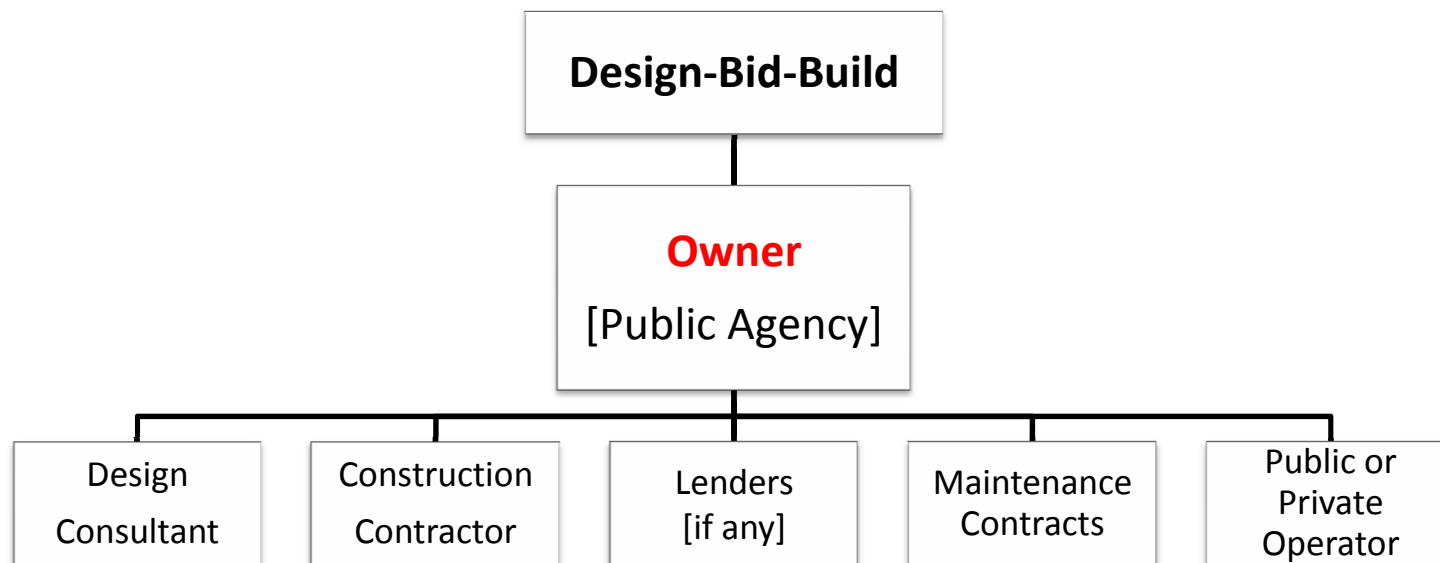
Project Delivery Alternatives



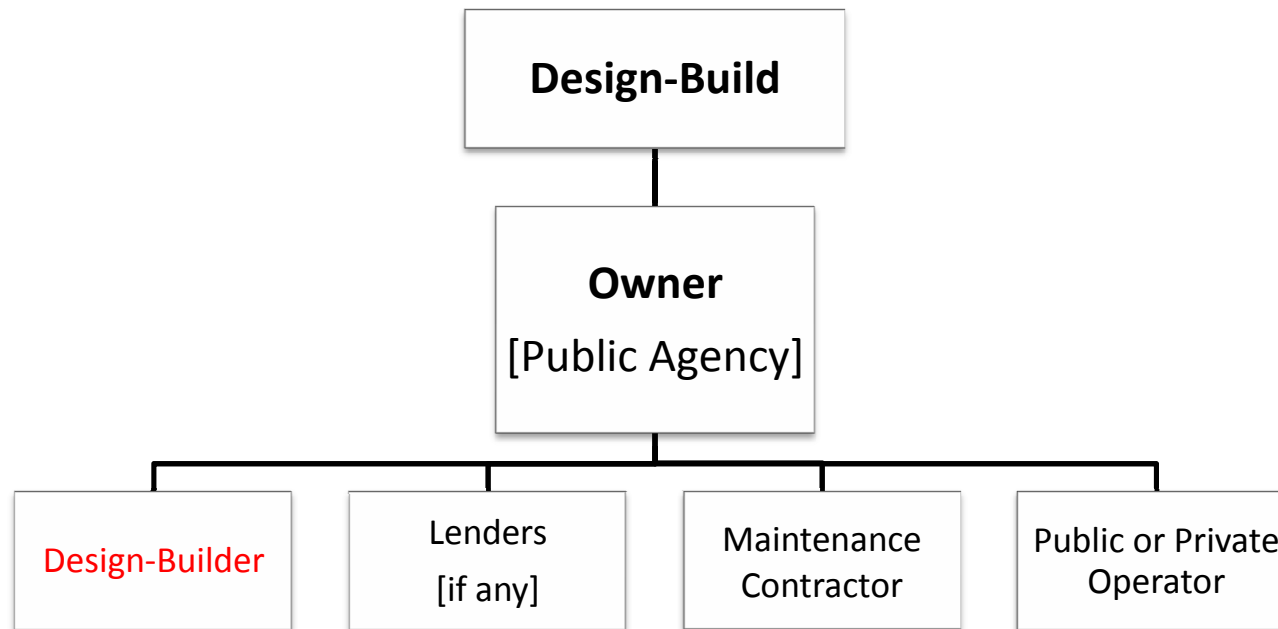
Spectrum of Project Delivery Alternatives/Contract Elements



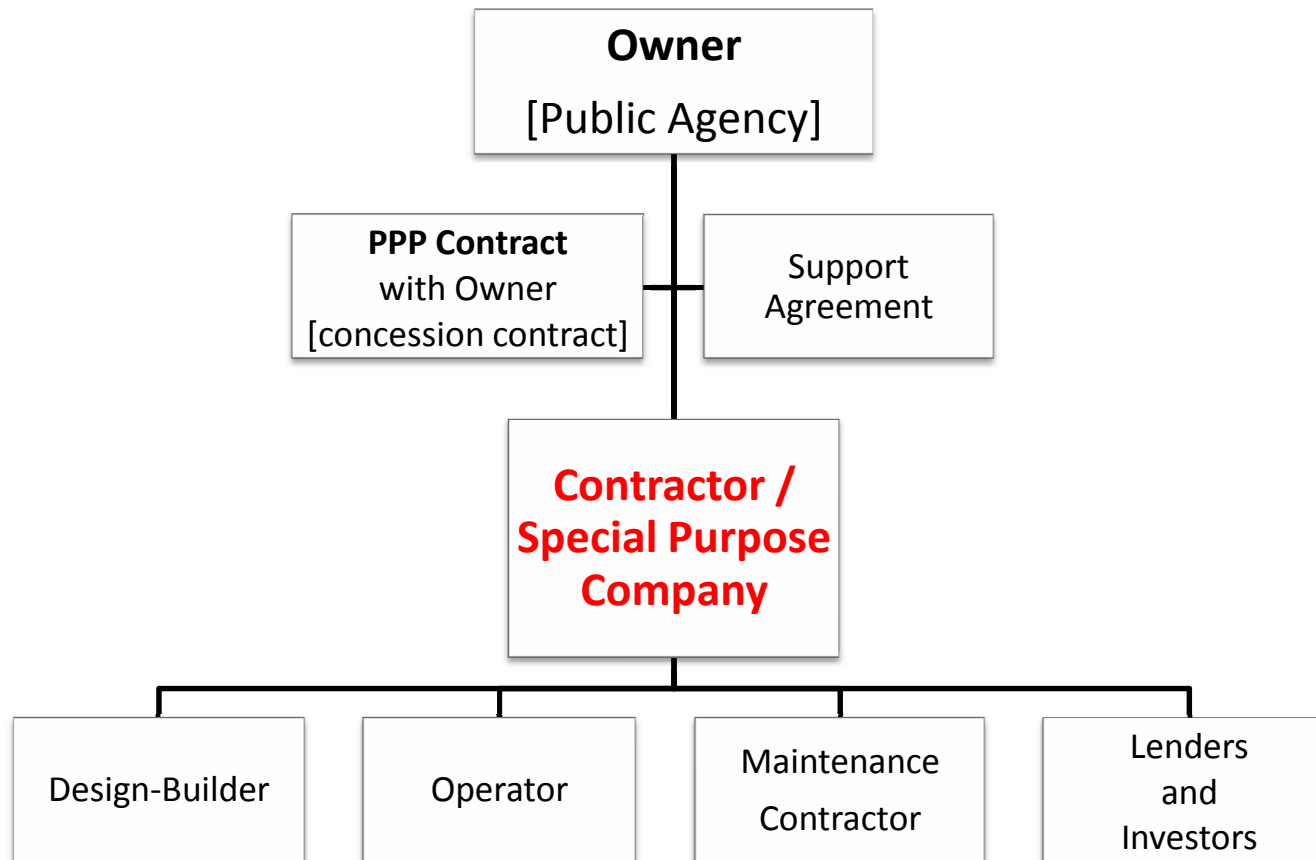
Design-Bid-Build Delivery Method



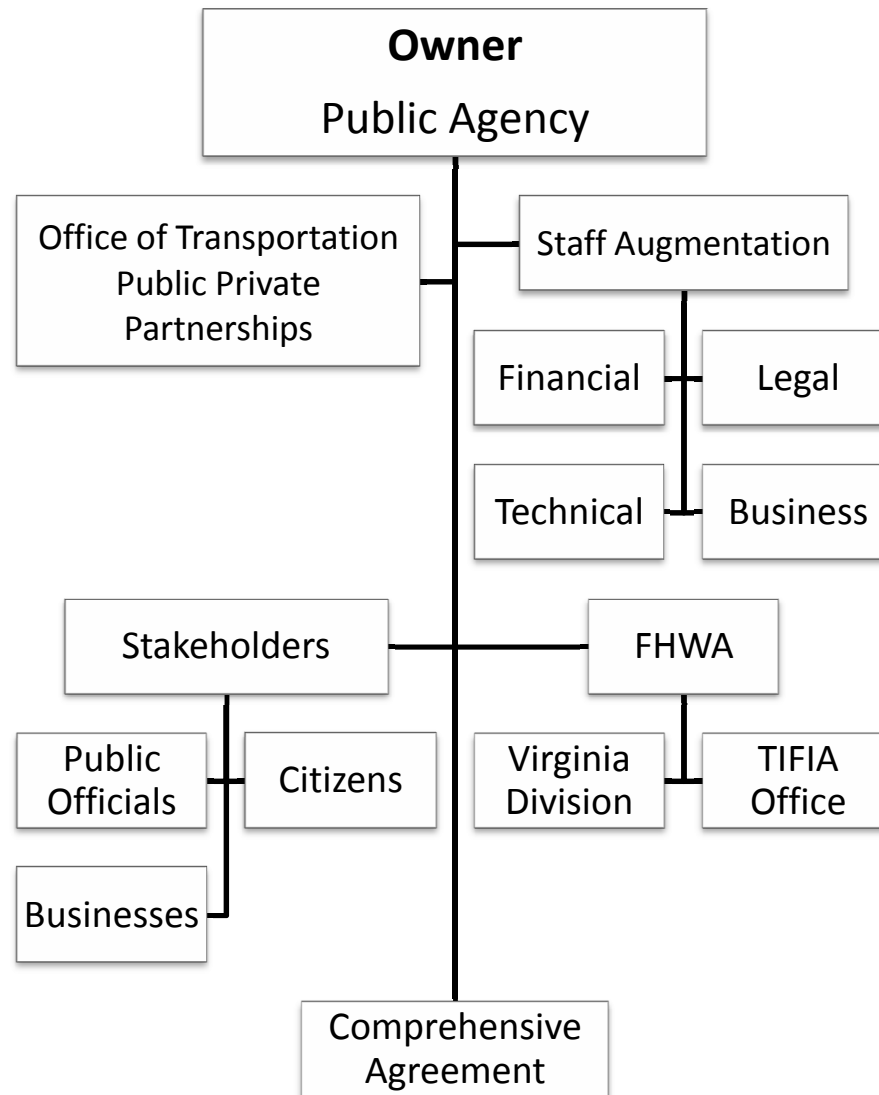
Design-Build Delivery Method



Design-Build-Operate-Maintain



Commercial Framework for P3 Transactions - Owner



Lessons we have learned!!!!



Project v. Program

- Establish Office of Transportation Public Private Partnerships (OTP3)
 - Specific Resources
 - Budget for pipeline development
- Updated Guidelines
 - Identification/Selection
 - Prioritization
 - Project Development
 - Value for Money
- Development of a pipeline of multi-modal projects



Change in Philosophy

- People:
 - Internal
 - Private Sector
- Risk Allocation:
 - Cost to retain
 - Cost to transfer
- Oversight:
 - QAQC
 - Operations
- Resources:
 - Financial
 - Human



P3 Public Education and Outreach

- Virginia has partnered with elected officials, private sector and transportation stakeholders to enhance transparency of P3 procurement (PPTA Working Group)
- Virginia first state to implement public education outreach specific to P3's
- P3 Fact Sheets explain benefits of economic activity, jobs, and improved transportation choices
- Create outreach plan early and throughout project delivery/procurement/construction and operations
- Avoiding silence and surprises

Commonwealth of Virginia
OFFICE OF TRANSPORTATION PUBLIC-PRIVATE PARTNERSHIPS

I-495 Express Lanes
A Successful Model for PPTA Projects

The Virginia Department of Transportation collaborated with its private partners, Transurban and Fluor, to deliver the largest improvement to the Capital Beltway in a generation.

Delivering new travel options in Virginia

- Four new lanes, two in each direction along 14-mile stretch of the Capital Beltway in Virginia
- Carpool/HOV-3 lanes on Beltway and to Tysons Corner
- Congestion-free network for transit buses and carpools
- Seamless HOV connection with I-66, Dulles Toll Road, I-395/I-95
- Toll option for drivers needing predictable travel time
- Fully electronic/dynamic tolling

Construction: Delivered on-time and on-budget

- Built four new lanes on the Capital Beltway
- Replaced more than 50 aging bridges and overpasses
- Tripled soundwall protection for adjacent communities
- Added pedestrian/bike access for all overpasses crossing the Beltway
- Relocated major utilities along entire alignment
- Completed in November 2012

Commitment to safety

- 495 Express Lanes project among strongest safety records in the country for a project of its scale
- Award-winning "Orange Cones. No Phones." campaign has led to more than 30 percent reduction in dangerous distracted driving
- Only two lost work days in more than 7.5 million work hours

Project Funding

SA098A
Nearly \$1.5B (private equity/debt)

Public Contribution
Private Investment

Robust public engagement

- 1,000+ community events, public meetings, employer briefings
- Made more than 225,000 calls via phone campaign
- Distributed over 30,000 faxes
- Sent over 300,000 email updates
- Hand delivered more than 30,000 construction notices

Supported 31,000 jobs, pumped \$3.5 billion into the economy*

On-site construction jobs, transport of supplies/equipment, non-direct jobs supported by workers spending paychecks in local community. Accounted for as much as 20 percent of total economic growth for Fairfax County in 2009.

* Dr. Stephen Fuller, George Mason University, "Economic Impact of Construction Outlays for the Capital Beltway I-495 Lanes, November 2008"

Awarded \$490 million to small and disadvantaged businesses

Largest contribution to DBEs and SWABs in Virginia's history for a single transportation project.

LEGISLATIVE FACTS
Public-Private Partnership
January 9, 2013
Prepared by
Virginia Office of Transportation Public-Private Partnerships
600 East Main Street Suite 2120 • Richmond, VA 23219
Director, Tony Kinn • Tony Kinn

Logos: DMV, DRPT, VDOT, and others.

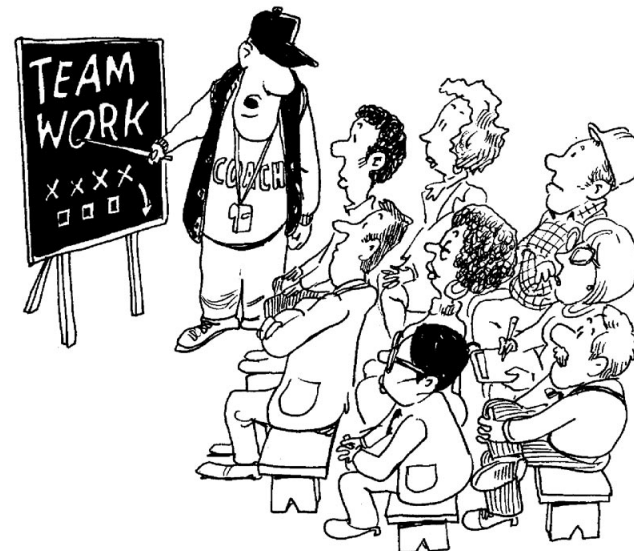


INTEGRATED APPROACH

Working with Public, Local Officials, Private Sector
in a transparent manner.

Teamwork produces better:

- Innovation
- Quality
- Sustainability
- Attainment of Project Goals



Locality Concerns



What do I do now?????

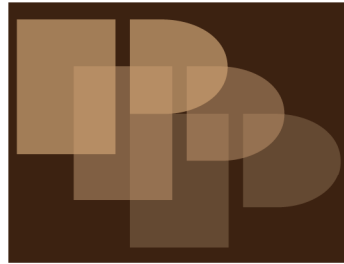
- Do I have the right resources?
 - Technical (Development, Oversight, etc.)
 - Business/Financial
 - Legal
 - Internal Project Management
- What is the PPTA Process?
 - Guidelines
 - Solicited
 - Unsolicited
 - FOIA
 - Evaluation Process
 - One Step or Two Step



What do I do now?????

- How do I assess value?
 - The value of time
 - Timely Project Delivery
 - Escalation
 - Less Costly
 - Public Sector Comparator
 - Risk Transfer
 - Economic Development
- Is this really a PPTA?
 - P3 Criteria
 - Glorified Design-Build?



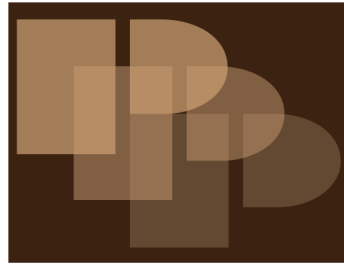


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Questions?

www.vappta.org





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